

**Iowa Power Fund Board
Meeting Minutes
February 13, 2008
Iowa Utilities Board Hearing Room
350 Maple St
Des Moines, Iowa**

Call to Order:

Fred Hubbell, Chair, called the meeting to order at 9:10 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred S. Hubbell, Chair	X		M J Dolan		X
John Bilsten	X		Gregory Geoffroy	X	
Peter Hemken	X		Kent Henning	X	
Patricia Higby	Conf Call		Senator Hubert Houser		X
Carrie LaSeur	X		Senator Roger Stewart	X	
Richard Leopold	X		Rep. Nathan Reichert	X	
John Norris	X		Rep. Chuck Soderberg	X	
Bill Northey	Karey		Due Diligence Committee	Present	Present
Lucy Norton	X		Floyd Barwig	Franklin Codel	X
Mike Tramontina	Karen		Ted Crosbie	Vern Gebhart	X
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	Conf Call

- OEI staff in attendance: Roya Stanley, Brian Crowe, Jennifer Wright, Bob Mulqueen, Robert Grayson (Intern), Sherry James

Approval of Agenda:

Fred Hubbell, Board Chair, asked that agenda item 8 be moved to the top of the agenda list.

Action: Tom Wind moved, John Bilsten seconded, to approve the agenda as amended. All members present voted "aye". It was determined that there was a quorum present.

Board Member Replacement:

Mr. Hubbell reported that Power Fund Board member Glenn Cannon retired from the Waverly Light and Plant Company in December and would be doing consulting in 2008 with extensive travel and therefore resigned from the Power Fund Board. Mr. Hubbell, Director Stanley and the Governor's staff reviewed applications and met with applicants that had expressed an interest in serving on the Power Fund Board. They recommended to the Governor that John Bilsten be appointed to the Power Fund Board. Governor Culver appointed Mr. Bilsten to the Board effective January 28, 2008 until April 30, 2010, to complete the term served by Mr. Cannon. Mr. Bilsten is the General Manager of Municipal Electric, Water and Communications Utility at the Algona Municipal Utilities.

Mr. Hubbell reported that Glen Cannon served as Vice Chair for the Power Fund Board. With his resignation, another member needed to be elected as Vice Chair. Per Administrative Rule 350.3.1 (469) (f); Election of officers is to be conducted each May for Chair and Vice-chair of the Board. Action: Ms. LaSeur moved, Ms. Norton seconded, to elect Tom Wind as vice chair. All members present voted “aye”. Motion carried.

Approval of Minutes:

The following changes were made to the January 9, 2008 Power Fund Board minutes: in the second paragraph on page 4, change the end of the last sentence to read “they will be presented to the Due Diligence Committee for their recommendation.”; on page 5, last paragraph, change the name of the Ethanol Plant to Golden Grain Energy Ethanol Plant.

Action: John Norris moved, Karen Merrick seconded, to approve the January 9, 2008 Power Fund Board minutes as amended. All members present voted “aye”.

Chair’s Remarks:

Chair Fred Hubbell reported that the emphasis of the meeting would be to finalize the application and the application process in regards to the flow from the receipt of the pre-application in OEI’s office to the recommendation of the full application to the Power Fund Board. These details would also need to be posted on the webpage for clarity to the general public.

Director’s Remarks:

Director Roya Stanley congratulated the Board on the very short amount of time that they were able to finalize the administrative rules, complete the Energy Plan and prepare the process for the awarding of the funds. She reported the conversation for the 2008 Energy Plan would need to begin in the near future for preparation of the Plan.

The Director reminded the board of the conversation at the January 9th Power Fund Board meeting regarding the money allocated by the Legislators in the 2007 session in regards to administrative costs. Director Stanley reported there are two issues that have an impact on this funding. There needs to be a clarification of the language as to how the Power Fund Board can choose to use the Power Fund Money over and above the allocation for planning and technical advice; and the percentage needs to be changed for the amount of administration allocation. Director Stanley reported that in conversations with other States in sufficient similarities, it was decided internally to request an appropriation percentage up to 5%.

Bob Mulqueen reported the percentage bill has been submitted to the House and the Senate requesting the 5% for administrative fees; and is expected to be reviewed next week.

Director Stanley reported Governor Culver has announced he will be in attendance at the Power Fund Board meeting to present the pre-applications.

Director Stanley reported there were 78 pre-applications submitted prior to February 1st. OEI staff will review the applications and prepare them for the February Due Diligence Committee meeting for review. It was necessary to schedule additional DDC meetings due to the large volume received.

There was discussion as to whether the oral presentations would be made with the DDC or the full Power Fund Board. The full applications will return to the DDC and it’s possible they will request an

oral presentation following the receipt of the full application. Once the full application has been recommended to the Power Fund Board for their review and consideration, it's possible the Board might request an oral presentation as well.

There was further discussion regarding the "economical overview" timetable for review. The professional reviews will be completed during the full application process.

Director Stanley reported as a matter of policy, OEI wanted to communicate and clarify to attendees the state accounting procedures 210 and 220 that are related to the Power Fund Board and Due Diligence Committee meetings and working luncheons. When lunch is catered in, it can only be provided to board members and OEI staff. As such, everyone will be asked to sign their name when receiving lunch to ensure compliance with the State of Iowa, state accounting procedures.

Public Comments:

Franklin Kinkade, spoke to the Board regarding Geotex, ground source heat pumps. He reported he had worked with DNR and was waiting on their EPC commission to make a decision on what action would be taken to deregulate Ground Source Loops away from water wells. He presented the members with a packet of information on ground source heat pumps.

Committee Reports:

Administrative Rules: Brian Crowe reported the final rules were filed on Friday, January 11, 2008 as adopted and emergency. They became effective immediately. There will be no further committees scheduled for discussion of Administrative Rules unless it is necessary due to review or statute changes.

Due Diligence: The Due Diligence Committee (DDC) met on January 23. There was continued discussion regarding maintaining a balance of the funding throughout the year, what categories to assign the pre-applications to and where to distribute the funds. There was also discussion regarding most risky and least risky projects. Director Stanley reported there were 78 pre-applications received by the deadline of February 1st for review at the February committee meeting. Brian Crowe presented a table showing the project title, applicant, city, funding dollar amount requested, and the dollar match of the 78 pre-applications received. The total dollar amount requested was \$184,019.039. A letter will be sent to each applicant following the DDC's review notifying them if they have been selected to complete a full application or if they do not meet the criteria and no further information is needed. If the DDC requests a full application from that applicant, the application will be forwarded to the applicant as it will be the Committee's decision as to which application they complete and submit dependant upon their project.

Application: Mr. Crowe reported an application committee conference call was held following the last Board meeting. He reported the pre-application has been completed with minor changes and is posted on the website for the public. The Board reviewed the full applications for Commercialization; Education; Research and Development; and Other. It was reported the full applications are very similar with some specific questions relative to the category. Some stylistic changes of sequencing of questions were discussed as well as details of the terms. It was decided to

have a disclaimer on the pre-application stating “This is a public document” to remind the applicant that once it is received in the Office, it is a public document.

Planning Committee: Tom Wind, planning committee chair, reported a planning committee conference call was held on January 29th. There was much discussion as to the steps for the 2008 Energy Plan. He reported the first plan, 2007, was known as the “Plan to Plan”. He asked the Power Fund Board to assist the planning committee in deciding the top 3-5 things that they needed to concentrate on for further details.

Power Fund Board members in attendance shared issues that they felt should be included in the Plan. There was discussion regarding hiring an outside consulting agency to assist in the development of the plan. It was a consensus that clear, precise guidance needed to be instructed to the firm when hired as well as a timetable be established.

Mr. Hubbell reported the Plan needed to give a clear vision. He suggested it be clearer of the choices and recommendations. He asked the Board to encourage the Governor to make mandates with energy efficiency versus allowing them choices.

Mr. Wind reported he would prepare an outline for the March 12 Power Fund Board meeting as to what the Board was trying to accomplish with the 2009 Plan. The outline would include what the Board felt the legislators and governor needed to consider; research and development projects; document issues and specific suggestions.

Governor Culver:

Governor Culver attended the Power Fund Board meeting and made this announcement, “The pre-applications have come in from across the state and the groups and organizations requesting the funds are diverse. Universities and colleges, utilities, for-profits, non-profits, associations, and school districts are among the groups that want to research and develop the next generation of renewable energy. I look forward to seeing which organizations are awarded the very first Power Fund dollars as Iowa moves quickly to become the renewable energy capitol of the United States.”

Public Comments:

There was no public comment at this time.

Adjournment:

There being no further business to discuss at this time, the meeting adjourned at 1:30 P.M. The next Power Fund Board meeting will be held on Wednesday, March 12 at 9:00 AM at the Iowa Utilities Board conference room.

Fred Hubbell, Board Chair

Sherry James, Recording Secretary

Date